

REPORT TO EXECUTIVE

DATE	19th August 2008
PORTFOLIO	Environment
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Determining Taxi Licence Fees – Policy Proposal**PURPOSE**

1. To adopt a pricing policy for the setting of taxi licence fees.

RECOMMENDATION

2. That the Executive approves the setting of taxi licence fees based on a cost neutral budget over a rolling three year period incorporating the previous year's actual budget, and the current and following year's estimated budgets.

REASONS FOR RECOMMENDATION

3. To establish a consistent and fair mechanism for fee setting, that ensures the administration and regulation of taxi licensing activities are cost neutral to the Council.

SUMMARY OF KEY POINTS

4. Taxi licensing has its own budget. All taxi related expenditure is charged to this budget, including staff and management time as detailed on timesheets. Likewise all taxi income is credited to the same budget.
5. Taxi licence fees are set annually as part of the Council's budget setting process. Licensing Committee have delegated powers to approve fees each year. The Council is not permitted to profit from driver and vehicle licence charges, and has traditionally sought to ensure the taxi licensing budget remains cost neutral ie, that taxi licensing activities are entirely funded by the income received from taxi licence fees.
6. In previous years a four year policy was in place. This proved difficult to apply whilst changes to accommodation, restructures and an expansion of licensing responsibilities were taking place and has been waived since 2003. This year fees were set based on three years budgets (2006/7 actual, 2007/8 estimated, and 2008/9 estimated). Fees were

set to recover sufficient income to deliver a cost neutral out-turn for 08/09. Income levels are dependant on the number of licences actually issued through the year, and so income is, to a degree, demand led. Current budget monitoring indicates income levels are on track to meet projections for the current year.

7. It is proposed to establish the three year cost-neutral budget as a pricing policy to determine future year's taxi licence fees. Any growth or savings to taxi licensing services or activities will therefore be incorporated into future year's budgets and fee levels will be set to accommodate these variations. Any significant change to the level of service provided eg increased counter opening hours, heightened enforcement activity, falling numbers of licence applications etc will directly influence fee levels if a cost neutral budget is to be achieved.
8. Each year Licensing Committee will be provided with budget summaries for the relevant three year period and recommended to agree fees that balance income and expenditure. The budget summaries will be available to the taxi organisations for their consideration during the statutory consultation period.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

9. As the proposal supports a self-financing taxi service the licence fee policy has no effect on the Council's overall budget, however it protects the Council from the risk of having to subsidise the cost of the service in the event of a fall in income.

POLICY IMPLICATIONS

10. The policy provides a transparent, fair and consistent mechanism for fee setting.

DETAILS OF CONSULTATION

11. Mohammed Jamil Munir, Chair of Hackney Carriage Association
Mohammed Arif, Chair of Private Hire Association
Mohammed Ibrar, Representing 'Taxi Call' (co-operative of Hackney drivers)
Alan Hosker, Representing Padiham private hire operators
All currently licensed private hire operators.
This report was considered on 31st July by the Licensing Committee who recommended its proposals to the Executive.

It was also circulated by e- mail to members of the Environment and Housing Scrutiny Committee for consultation.

BACKGROUND PAPERS

12. None.

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO:

Peter Henderson